

shown in Table 5-6 were then applied to mean values, assuming a normal distribution. The values in Table 5-6 represent one standard deviation from the mean.

A probabilistic Monte Carlo model was constructed to calculate the variation in cost of generation based on the combined simultaneous variation in inputs, and the results are summarized in Table 5-7 for each technology.

Table 5-7. Calculated Uncertainty Band for Typical Projects.							
	Generation Cost Ranges with 1σ (\$/MWh)			Standard Deviation (\$/MWh)		Coefficient of Variation	
	Low	Base	High	1σ	2σ	1σ	2σ
Geothermal	\$94	\$113	\$132	\$15	\$30	13%	27%
Biomass	\$134	\$151	\$168	\$19	\$37	12%	25%
Wind	\$85	\$103	\$121	\$17	\$34	16%	33%
Solar Thermal	\$134	\$155	\$176	\$18	\$36	12%	23%
Solar PV	\$209	\$224	\$239	\$21	\$41	9%	18%
Note: σ = standard deviation. Assuming a normal distribution, about 68 percent of the values are within one standard deviation (1σ) of the mean, and about 95 percent of the values are within two standard deviations (2σ)							

The uncertainty bands were then applied to each project, and new high and low weighted average CREZ rank costs were calculated. These have been added to the CREZ supply curve, as shown in Figure 5-4. The uncertainty band in the supply curve represents two standard deviations from the mean value.